

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

Contracting

C1. Would the Air Force facilitate a team relationship? How can I be put in contact with other firms interested in this project to possibly form a team?

Although the Air Force encourages a teaming relationship with experts from the various key areas (e.g., construction property management, financing, etc.), the Air Force will not engage directly in developing teams. However, the Dyess Housing Privatization web-site will provide an opportunity for organizations interested in sub-contracting/partnering opportunities to post company information.

C2. Will the solicitation be sent to all the participants of this forum or just to those who indicated that they are interested?

All firms interested will be required to submit a registration to receive a Request for Proposal package. These packages will be available for download on the web site when available.

C3. How are you going to evaluate companies during the solicitation?

The Air Force is looking for the proposal that represents the best value to the government. The specific evaluation factors and criteria will be clearly described in the solicitation documents.

C4. How will the Air Force evaluate a new company such as either a joint venture or LLC during Step 1 qualifications?

In the case of a newly formed joint venture or LLC, the Air Force will evaluate the experience and strengths of the team members. The solicitation will clearly describe all of the information that must be provided for Step 1 evaluations.

C5. As far as the evaluation grading scale, have you worked out what certain points to assign for each area?

This information will be clearly described in the solicitation documents. The evaluation will focus on an integrated assessment of an Offeror's financial strategy, design and construction strategy, operations & maintenance strategy, and environmental considerations leading to the best value for the Air Force.

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

C6. During the Step 1 judging process, will the Air Force publish a list of minimum acceptable standards?

Minimum acceptable standard areas will be clearly spelled out in solicitation.

C7. When you get past Step 1, is it then just the products that compete or what else competes?

Step 2 will be a multi-faceted evaluation including areas such as construction, property management/operations, financial strategy, etc.

C8. Are the Step 2 selection criteria primarily cost driven or cost limited?

The Air Force is looking for the best value. Cost will be a consideration and there may be some limit on the total cost to the government; however, the best value may not be the lowest cost proposal.

C9. You said you were looking for best value. How does the Air Force define “Best Value”?

The Air Force team is defining the best value to the Air Force in terms of the developer’s financial condition, financial strategy, proposed planning, design, construction, operations, maintenance, management, cost to the Air Force, and development preferences.

C10. Just because you meet the minimum requirements in the Step 1 doesn’t mean you’ll be selected?

This is true, there is clearly potential for competitive cuts

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

Financial

F1. Can the military personnel be charged more than the Basic Allowance for Housing by the apartment complex?

No, the Basic Allowance for Housing (BAH) shall cover rent and a reasonable allowance for utilities (as will be further described in the solicitation documents).

F2. Would the government consider a larger Basic Allowance for Housing if the minimum square footage was raised, or if the house were more energy efficient?

The Basic Allowance for Housing (BAH) for a specific location (e.g., Dyess AFB) is based on the member's pay grade and dependency status. Square footage or energy efficiency will not affect the BAH. However, energy efficiency may affect the developer's rental revenue since an energy efficient unit should require a smaller utility allowance for that type unit.

F3. If the Basic Allowance for Housing rate changes, when does that new Basic Allowance for Housing rate become effective?

Typically the Basic Allowance for Housing is recalculated annually and the rates take effect from the first of the calendar year. The solicitation will detail the mechanics of changes in rent due to changes in occupancy.

F4. Will promotions change that Basic Allowance for Housing as well?

The solicitation will detail the mechanics of changes in rent due to changes in rank.

F5. The Basic Allowance for Housing values on the table vary. Will our income vary monthly by who lives in the housing?

No, rents should be unit based and established at the time of occupancy based on the designated tenants BAH. Income should not vary on a monthly basis.

F6. Correct me if I'm wrong, but Basic Allowance for Housing rates would never go down for the current occupant?

Currently, there is a provision in the BAH methodology that provides protection for individual

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

F7. What is the longevity of the loan?

We expect each Offeror to propose the terms of their loan to meet their needs. However, a proposal may be considered more risky if it includes an amortization schedule that is unrealistic. In any case the term of the loan must be less than the period of the operating agreement (e.g., the preferential rent period).

F8. I understood you to say that the main authority you were talking about is direct loans. What do you mean by "Direct Loans?"

The Air Force would be the first mortgage lender for permanent takeout financing and would provide a forward commitment letter, which the successful offeror could furnish to its construction lender to meet the take-out requirement.

F9. How will the rent be collected?

The developer would be responsible for collecting the rent. In the case of military tenants, the legislation allows us to require the rent to be paid through a pay allotment.

F10. If a civilian is a government worker, what is the rental rate, and could an allotment be required?

Civilians (including those who are government employees) will pay market rent. The government has no authority to require its civilian employees to pay their rent through a pay allotment.

F11. Is there a potential for additional MILCON appropriations beyond the FY98 and FY99 projects for this project?

No.

F12. What are the limitations on how the government money is to be used, how the government applies the money to the project, how is that money dispersed, and what are the limitations on its use?

Use of funds is limited by statutory and regulatory authorities and by prudent requirements to protect important Government interests. The funds will be applied based on the successful

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

F13. So there's no direct participation of the government in the cost other than a loan. Are there any moneys that are just given to the project?

The Air Force contemplates offering only a first mortgage loan which may be at a below-market interest rate.

F14. What do you mean, "scoring" the funds?

Scoring is a process the Office of Management and Budget uses to account for government obligations identified in the project and their net present value to the government. We have added a quick score model to our Web Site so anticipated scores can be calculated.

F15. Is the Office of Management and Budget scoring what you will use to score the proposals?

The "OMB scored amount" will be one of the many factors that are evaluated in each proposal.

F16. Can we use our own financing, skip the source selection and go ahead and build?

Yes, but the Air Force is looking for a partnership to secure access to affordable housing for our members.

F17. You propose a mortgage lower than open market. Where is the benefit to the proposer to minimize authority used in the process? If he came to the table without using any of your authorities, he might as well get out of the solicitation game and development themselves.

See response F16 above.

F18. Is there any thought of what percentage of market rate housing will be in the units?

We do not envision the deal including the general public unless the military members choose to live elsewhere.

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

F19. Why are you including all utilities in your proposal? Most private developers normally do not pay gas and electricity, some do pay water and cable, and it varies. Why is that being included in the package? That is a variable that the developer will have a real hard time with.

Current policy requires that rent be equal to the Basic Allowance for Housing minus a reasonable utility cost which will be given the member as a utility allowance. This utility allowance will pay for electricity or electricity and gas.

F20. Do you have any idea what the utility allowance might be? Any suggestions as to how to figure this for us?

The Air Force believes there are several tools available to estimate utility costs for new construction. We are looking to the creativity of the private sector in meeting our objectives.

F21. Are there any provisions for tax and insurance, or for escalators?

Any and all taxes and insurance will be the responsibility of the successful offeror. Basic Allowance for Housing may adjust annually depending on any change in the cost of housing in the Dyess AFB area.

F22. Can you bring in other sources of income, say have an allotment of 191 units for military but also have other units for market rate tax credits so it can subsidize the military?

If a developer proposes to construct an additional housing project financed exclusively with private-sector funds and without any government guarantees of other financial assistance under the housing privatization authorities, the two projects would have to be entirely separate and financially independent of each other. The key would be to document the separate financing of each project.

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

Technical

T1. Will there be any confidentiality on design?

All proprietary information must be marked as such. We will treat all your design information as proprietary; however, the environmental data included within your proposal will be treated as non-proprietary.

T2. You stated "City of Abilene services are required for the site." Does that not necessitate that the proposed site is actually going to have to be in Abilene City proper? Or are you're looking for the same level of service?

Yes, we are looking for City of Abilene services.

T3. Will there be consideration for the Air Force to finance the installation of special infrastructure separate from or as an attachment to the developer's project (e.g., security system, telecommunications, Internet tied to Dyess AFB)? Would such an arrangement be open to negotiation with the Air Force?

This is a private sector initiative; therefore, it will not be supplemented or upgraded with government funds.

T4. For the housing units, why have any size standards? Why not have very minimum size standards so you allow for a greater range of possibilities?

Our intent is to ensure the housing is comparable to the housing our members would receive on base, and sizes are intended to be minimums.

T5. Are you going to replace the 143 units you demolish on site in the year 2000?

We replaced these houses in a previous MILCON project and only the demolition has been deferred until 2000.

T6. Is there any problem with proposing non-traditional construction materials (e.g. pre-cast concrete) for these structures?

No, as long as the materials meet our specified minimum requirements and those of the State of

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

T8. Will special features, like garbage containers, requirements for storage space, method of mail delivery, utilities, school bus shelters, appliance sizes, and counter space, be put into the solicitation?

All project requirements and any desirable features will be identified in the solicitation/RFP.

T9. Are refrigerators and stoves being provided as Government furnished equipment?

No.

T10. Since the government may be providing the funds, how much involvement are they going to want?

We envision sufficient involvement to protect the interest of the government. For example, there will be a binding agreement put in place that will assure the developer maintains the units, builds what he proposes, and so forth.

T11. Will Air Force policies of non-fraternization of officers and enlisted apply in these houses?

Housing privatization will not affect fraternization policies or the Uniform Code of Military Justice, which apply to the members, not the housing project itself. However, for this project the government desires the officer and enlisted areas be separated.

T12. What are zoning categories in Abilene?

Zoning categories in the city of Abilene can be obtained directly from the city zoning department.

T13. Since this is a privatized project, what construction specifications will be used?

Specifications will not be provided. Designs and construction standards will depend on city codes and ordinances.

T14. What will be the power and authority of the management review committee?

The committee will discuss any issues relating to tenant assignments, tenant-landlord disputes, routine facility operations, quality of services, housekeeping, safety, security, and other issues and administrative matters pertaining to operation and maintenance of the development. We see the

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

T15. Is there a way to deliver to the private sector the ability to set the same standards as you expect of your tenants on base? Could they be made available to private sector for your tenants off base? For example, your move-out requirements are staggering compared to the private sector.

No, the standards expected of the tenant for move out should be established in the lease between the Successful Offeror and the individual tenant.

T16. Are there Air Force sanctions available for damage? Is there a way to mitigate requirements for standards whether on base or off?

In the solicitation we will provide clauses which are important to the Air Force and will be required to be included in the tenant lease for military tenants.

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

Legal

L1. Could the Air Force buy the land and then provide it in a privatized deal to the developers?

We do not intend to acquire land for the housing project. Our concept is for the developers to provide that land.

L2. Would an option be acceptable to show control of the property on which the development will be built?

Yes, provided documentation of the executed option is presented to support the proposal.

L3. Does the Fair Housing Act apply since this is an off-base development?

Yes.

L4. Will contractor have any form of rejection for military personnel? What grounds/rights do we have to reject?

This project is targeted for military members paying BAH for the rent and utilities; therefore, military personnel will have a priority for occupancy of the units and prospective military tenants may not be rejected based on income or employment.

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

Environmental

E1. How does ECD (environmental consideration document) compare to a Phase I environment report that is common to the private sector?

The ECD is very similar to a Phase I Environmental Baseline Survey (EBS) that is common to the private sector. The ECD contains many of the same requirements and elements normally found in a Phase I EBS, such as regulatory records reviews, site inspections, and historical land use information. The primary difference is that the ECD will focus more on the present environmental compliance status of the subject property with respect to appropriate federal, state, and local environmental regulations and required permits.

E2. The development community is accustomed to having a Phase 1 done at a minimum and a Phase 2 to satisfy the lender's requirements. Does the federal government require different levels of environmental reviews on any property that would be developed?

Since the Air Force will not be acquiring or divesting any real property, the Air Force requirement for a Phase I or Phase II EBS does not apply for this proposed action. The Air Force is only requiring the ECD as a part of the official proposal package. However, the ECD will need to be developed in sufficient detail such that a comprehensive environmental baseline condition of the subject property (including potential mitigation actions) can be presented to the Air Force and evaluated in accordance with the requirements outlined in the RFP. Additionally, information in the ECD will be used to assist the Air Force in meeting requirements of the National Environmental Policy Act of 1969 (NEPA), which requires that federal agencies evaluate the potential environmental consequences of their proposed actions prior to implementation of the action.

E3. When will the initial environmental document be submitted? As part of Step 1?

The document will be submitted as part of Step 2.

E4. How far do we as the private sector get into this process that we have no control over? Our lender says we buy environmental Phase 1 and 2, we tie up the land, we submit the proposal. Where in the process do we lose?

After you submit your proposal in Step 2, we use the information you provide to start the EIAP process. The NEPA is the responsibility of the Air Force and will need to be complete for us to

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

E5. So we could go through all of the work, win, and still lose?

If your proposal involves significant (as defined by NEPA) environmental impacts, the Air Force will have to prepare an Environmental Impact Statement (EIS). Preparation of an EIS is a large, expensive, and time consuming process. On the other hand, if your proposal does not involve significant impacts, the Air Force will prepare an Environmental Assessment (EA). An EA is generally shorter, cheaper, faster, and easier to produce. These are factors that will potentially weigh on the acceptability of proposals and will be evaluated in accordance with the standards set forth in the RFP.

E6. Let's assume that somewhere in the process the land is deemed unacceptable, do we all go back to square 1?

Only if all the proposed sites are unacceptable. If only one proposal is unacceptable, we would continue the evaluation process.

DYESS AFB INDUSTRY FORUM QUESTIONS

23 Oct 98

Other

O1. Is there somewhere we could look at past projects that is not proprietary information?

A similar project is at Lackland Air Force Base, San Antonio, Texas. It's filed for record in Bexar County, Texas.

O2. Can a military member living in our development be on your "on-base" housing waiting list for a unit?

Yes, a military member can still be on the waiting list for on-base housing. However eligibility for on-base housing would not provide a basis for exercise of the military clause allowing a military tenant to terminate the lease early

O3. Will the Air Force contribute any funds for development that they would normally contribute to city for schools where their kids go to school?

The Air Force does not contribute funds to the city for schools. However, the Department of Education has a program to provide impact aid to local schools.

O4. Do children on base attend local schools?

Yes. On base children attend the schools in the local school district.